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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF
SANTA ANA

BY _____

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

September 2018 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

MARGARET QUICK,

Defendant.

SA CR No. 18- 00243-JVS

I N D I C T M E N T

[26 U.S.C. § 7212(a): Attempt to Interfere with Administration of Internal Revenue Laws; 18 U.S.C. § 1001(a)(2): False Statement]

The Grand Jury charges:

COUNT ONE

[26 U.S.C. § 7212(a)]

Beginning in or about 2010, and continuing thereafter up to and including June 7, 2011, in Orange County, within the Central District of California, and elsewhere, defendant MARGARET QUICK ("QUICK"), together with others known and unknown to the Grand Jury, corruptly endeavored to obstruct and impede the due administration of the Internal Revenue laws, that is, an examination by the Internal Revenue Service ("IRS") of more than 50 amended federal tax returns that defendant QUICK had prepared and filed with the IRS for clients

1 that cumulatively claimed more than \$100,000,000 in federal tax
2 refunds under the IRS's Telephone Excise Tax Refund ("TETR") program,
3 by:

4 a. Directing others to alter telephone invoices related
5 to the TETR-based tax returns;

6 b. Conspiring to alter "Stat Trek" printouts related to
7 the TETR-based tax returns;

8 c. Providing those altered "Stat Trek" printouts to the
9 IRS in support of the TETR-based tax returns;

10 d. Sending an email message on or about February 9, 2011,
11 wherein defendant QUICK wrote: "The Auditors have never received
12 these invoices so we can pull from all samples";

13 e. Sending an email message on or about February 13,
14 2011, wherein defendant QUICK wrote: "I summarized the % averages we
15 need to replace some and find others," with an attached file wherein
16 defendant QUICK directed that the ratios needed to be increased,
17 highlighting in yellow: "Need 2.60% weighted" and "Need 2.58% or
18 higher";

19 f. Sending an email message on or about February 26,
20 2011, wherein defendant QUICK wrote: "I have added two tabs with my
21 initials...use these," and attached a file with a tab named "W F
22 RATIO ANALYSIS MQ" within which defendant QUICK had written in red
23 font: "Need to pull in some high ratios from original invoices
24 provided";

25 g. Lying to IRS agents during a meeting in New York on or
26 about March 24, 2011, including defendant QUICK's falsely stating
27 that her company Quick Rios and Associates ("QRA") had used "Stat
28 Trek" to pull invoices to calculate the refund amounts on the TETR-

1 based tax returns, when in truth and fact, QRA had not;

2 h. Sending an email message to the IRS on or about April
3 14, 2011, wherein defendant QUICK falsely wrote "The invoices were
4 selected under Stat Trek";

5 i. Lying to IRS agents present during a meeting held at
6 QRA's offices in Irvine, California, on or about April 28, 2011,
7 including defendant QUICK's falsely stating that: (1) QRA had used
8 "Stat Trek" to select invoices; and (2) QRA had used the "Stat Trek"
9 program in May 2010 to select invoices for the client at issue, but
10 QRA had simply re-run "Stat Trek" in August 2010 for the IRS's
11 benefit; and

12 j. Lying to IRS agents present during a meeting held at
13 QRA's offices in Irvine, California, on or about June 7, 2011,
14 including defendant QUICK's falsely stating that: (1) she did not
15 know that the email message dated May 4, 2010, had been fabricated;
16 (2) the "Stat Trek" printouts were altered only as to the order of
17 the numbers on the printout, but not as to the numbers themselves;
18 and (3) an IRS employee had been the person who altered the "Stat
19 Trek" printouts.

COUNT TWO

[26 U.S.C. § 7212(a)]

Beginning in or about August 2011, and continuing thereafter up to and including July 5, 2018, in Orange County, within the Central District of California, and elsewhere, defendant MARGARET QUICK ("QUICK"), together with others known and unknown to the Grand Jury, corruptly endeavored to obstruct and impede the due administration of the Internal Revenue laws, that is, a criminal investigation by the Department of Treasury, Internal Revenue Service - Criminal Investigation ("IRS-CI"), related to more than 50 amended federal tax returns that defendant QUICK had prepared and filed with the IRS for clients that cumulatively claimed more than \$100,000,000 in federal tax refunds under the IRS's Telephone Excise Tax Refund ("TETR") program, by:

a. Lying to IRS agents present during an interview of defendant QUICK in Newport Beach, California, on or about August 17, 2011, including defendant QUICK's falsely stating that: (1) her company Quick Rios and Associates ("QRA") had used "Stat Trek" printouts to select invoices for the TETR-based tax returns; and (2) she did not know anything about the fabricated email message dated May 4, 2010;

b. Lying to IRS agents present during an interview of defendant QUICK at the United States Attorney's Office in Santa Ana, California, on or about May 23, 2012, including defendant QUICK's falsely stating that: (1) QRA had used "Stat Trek" to select invoices for the TETR-based tax returns; (2) she first learned that the "Stat Trek" printouts were false on August 17, 2011, when she was interviewed by IRS-CI; and (3) during the meeting with the IRS on

1 June 7, 2011, she did not know that the email message dated Mary 4,
2 2010, had been fabricated; and

3 c. In or about July 2018, attempting to influence a
4 witness's testimony, both by telephone and email.

COUNT THREE

[18 U.S.C. § 1001(a)(2)]

On or about May 23, 2012, in Orange County, within the Central District of California, in a matter within the jurisdiction of the executive branch of the government of the United States, specifically, the Department of Treasury, Internal Revenue Service - Criminal Investigation ("IRS-CI"), defendant MARGARET QUICK ("QUICK") knowingly and willfully made a materially false, fictitious, and fraudulent statement and representation to an IRS-CI Special Agent, in that defendant QUICK falsely represented that: (1) QRA had used "Stat Trek" to select invoices; (2) she first learned that the "Stat Trek" printouts were false on August 17, 2011, when she was interviewed by IRS-CI; and (3) during the meeting with the IRS on June 7, 2011, she did not know that the email message dated May 4, 2010, was fake, whereas in truth and fact, as defendant QUICK then well knew, QRA had never used Stat Trek to select invoices, she knew

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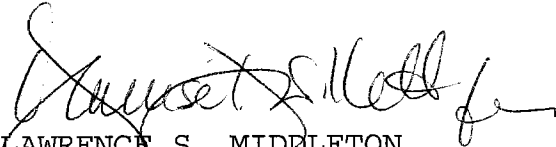
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1 well before August 2011 that the Stat Trek printouts were false, and
2 she knew in April 2011 that the email message dated May 4, 2010, had
3 been fabricated.

4 A TRUE BILL

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7 _____
Foreperson

8 NICOLA T. HANNA
9 United States Attorney

10 

11 LAWRENCE S. MIDDLETON
12 Assistant United States Attorney
Chief, Criminal Division

13 DENNISE D. WILLETT
14 Assistant United States Attorney
Chief, Santa Ana Branch Office

15 CHARLES E. PELL
16 Assistant United States Attorney
Santa Ana Branch Office